

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Ed Shikada
Jennifer A. Maguire

SUBJECT: SEE BELOW

DATE: May 22, 2008

Approved

Christine F. Shippey

Date

5-23-08

**SUBJECT: UNMET/DEFERRED MAINTENANCE AND INFRASTRUCTURE
BACKLOG RESERVE RECOMMENDATIONS**

RECOMMENDATION

It is recommended that the City Council:

1. Accept staff's recommendation to fund various unmet/deferred infrastructure and maintenance projects.
2. Adopt the following amendments to the 2008-2009 Proposed Operating Budget in the General Fund (001):
 - a. Increase the estimate for Transfers and Reimbursements in the amount of \$920,000;
 - b. Establish a Building Facilities Maintenance Backlog: 9-1-1 UPS System, PAB Chiller, Police Special Operations Unit Motors appropriation to the General Services Department in the amount of \$2,717,000;
 - c. Establish a City-wide appropriation for Technology Maintenance Backlog: Desktop Computer and Server Replacements to the Information Technology Department in the amount of \$653,000;
 - d. Establish a Transportation Maintenance Backlog: Street Surface Resurfacing (Story Road and Leigh Avenue) appropriation to the Transportation Department in the amount of \$2,300,000;
 - e. Establish a Transportation Maintenance Backlog: Transportation Infrastructure appropriation to the Transportation Department in the amount of \$250,000;
 - f. Decrease the Earmarked Reserve for Unmet/Deferred Infrastructure and Maintenance in the amount of \$5,000,000.
3. Adopt the following amendments to the 2008-2009 Proposed Operating Budget in the Emergency Communication System Support Fee Fund (154):
 - a. Increase the Transfer to the General Fund in the amount of \$920,000; and
 - b. Decrease the Ending Fund Balance in the amount of \$920,000.

BACKGROUND

As presented to the Council in October 2007, the City's deferred maintenance and infrastructure backlog is at \$915 million with an additional annual ongoing need of \$45 million once the one-time needs are addressed. Over half (\$507 million) of the one-time need and almost all of the annual need (\$40.2 million) is a General Fund obligation.

The Mayor's March 2008 Budget Message, as approved by the City Council, reiterated the reduction of the deferred maintenance and infrastructure backlog as one of the City's top five priorities. This was based on input received from the community at a Neighborhood Association priority setting session held in January 2008, a community survey as well as the Council priority setting session held in February 2008, in which the Mayor, Council and Senior Staff not only validated reduction of the backlog as one of the City's top priorities but also identified three sub-priorities within the infrastructure backlog:

1. Transportation infrastructure
2. Technology infrastructure/software
3. Building Facilities

The 2008-2009 Proposed Operating Budget includes an Earmarked Reserve for unmet and deferred maintenance infrastructure in the amount of \$5 million. This funding serves as a small down payment toward the deferred maintenance and infrastructure backlog. Several City departments provided input on the most critical needs and recommendations are included in this memorandum to fund critical projects.

ANALYSIS

Staff focused on the three sub-priority areas within the deferred maintenance and infrastructure backlog to develop a plan for funding projects with the earmarked reserve. The criteria used for selection of projects to be funded through this reserve is as follows:

1. Projects would typically need to be funded by General Fund dollars
2. Projects have been identified as critical through condition assessments and operational considerations
3. Proposed improvements or lack thereof would directly impact health and safety and/or operational efficiencies

Based on the above criteria, the following projects are recommended:

Building Facilities (\$2,717,000)

1. **9-1-1 Uninterruptible Power Supply (UPS) System Replacement (\$2,300,000)** – This project replaces the primary battery backup system for the 911 Communications Center in the event of a power failure. The current system located at the Police Administration Building (PAB) is past the manufacturer's useful life and was identified as critical to ensuring power is provided to the 9-1-1 bridge during a power failure. In conjunction with the Attorney's Office, eligible Emergency Communications System Support Fee funds (\$920,000) are also available and eligible to reimburse the General Fund for a portion of the

project costs. It should be noted that this project was recently identified and not included as part of the original \$500 million General Fund funded unmet/deferred maintenance infrastructure backlog figure, however, given the critical nature of this project with regards to emergency communications, staff is recommending funding this project.

2. **Police Administration Building (PAB) Chiller Replacement (\$352,000)** – This project replaces the reciprocating chiller which serves the Police Administration Building and Annex, and has reached the end of its useful life.
3. **Police Special Operations Unit – Motor Replacements (old EOC) (\$65,000)** – This project includes the replacement of the motor control center (\$63,000) and centrifugal pump motor at the Police Special Operations unit located in the old EOC at 171 W. Mission Street.

Police Administration Building (PAB) is a building in operation 24/7. This facility maintains a cold room that serves as a backup for Police homicide investigation organic evidence storage. In addition, the PAB has a critical data center that must be cooled 24/7. The old EOC houses the Police Special Operations and Bomb Squad personnel. The Police also utilize this space for training sessions on various Police related disciplines.

Both PAB and Police Special Operations facilities have unreliable and in-efficient air conditioning components due in part that the equipment has exceeded its expected lifecycle. The HVAC mechanical equipment at PAB and Police Special Operations are the original components from the construction dating back to the 1950's and 60's and has experienced rapid deterioration and frequent failures. In addition, replacement parts are increasingly difficult to acquire.

Due to the inherent critical nature of the operations conducted at the PAB and the Police Special Operations facilities, staff recommends that the Chiller at PAB and Motor controls and pump at the Police Special Operations facilities be replaced with new high efficiency equipment. The new equipment will not only be more efficient to operate but will consume much less energy than the original equipment. New equipment will also align to the City's Green Vision because the refrigerant used will be environmentally friendly and the higher efficiency motors will also reduce overall green house gases as the electrical usage for continuous operation is reduced.

Technology (\$653,000)

4. **Desktop Computer and Software Replacements (\$553,000)** – This allocation would fund the replacement of desktop computers and basic software upgrades for obsolete units that use operating systems older than Windows XP, within departments including Police, Fire, Parks, Recreation and Neighborhood Services. Since providers such as Microsoft no longer provide technical support or security updates for discontinued operating systems and other software, continued use of these antiquated systems frequently constitutes security risks (viruses and other types of vulnerabilities) to the City's network. In addition to these exposures, the older hardware frequently only supports software versions that present compatibility issues with newer versions, preventing employees from performing required tasks. Implementations of new systems such as Recreation and E-Commerce (RECS) and Computer Aided Dispatch

(CAD) require client computers that meet current hardware and software standards. Older computers may slow down and even halt the process of introducing system-wide software and improvements that provide great benefit to the City. Further, many of these older systems have recurring, chronic problems which represent an excessive amount of down time for users and the demand for substantial resources from technical support staff.

5. **Server Replacements (\$100,000)** – This project replaces older legacy servers with hardware for increased server virtualization; this funding level will address less than 5% of the infrastructure backlog in this area. The replacement of aging servers will provide an opportunity to consolidate many physical servers to a single hardware platform. This platform will consume less energy and more efficiently use the hardware resources the City is investing in. It is the City's goal to only purchase physical servers on an exception basis and this funding will help achieve this goal by providing a foundation to quickly provision virtual servers without expending additional funds on hardware.

Transportation (\$2,550,000)

6. **Street Surface Resurfacing (\$2,300,000)** – This project would fund the street resurfacing of Leigh Avenue (\$1,200,000) from Blossom Hill Road to Branham Lane and Story Road (\$1,100,000) from McLaughlin Avenue to King Road. These streets were chosen based on the amount of identified deficiencies, the length of time overdue for treatment, number of complaints received and information regarding future project conflicts.
7. **Raised Pavement Markers (\$100,000)** – This project includes the removal and replacement of 25,000 damaged and missing raised pavement markers on City-maintained streets. Currently, there is no existing maintenance program or funding for this work. Raised pavement markers are effective devices that improve roadway safety. Funding would support a two-person crew who would work on an overtime basis (\$32,000) and non-personal/equipment costs (\$68,000).

As determined by the Transportation and Maintenance Master Plan completed in 2007 and reported to Council in the October 2007 Deferred Maintenance and Infrastructure Backlog report, the Transportation Infrastructure backlog is at \$455 million with an additional annual need of \$29 million, once the one-time needs are addressed. Most of this backlog (\$268 million) is for pavement maintenance on over 2,300 miles of paved streets. Funding the above resurfacing projects would reduce this backlog by \$2.3 million. In addition, the \$100,000 proposed for raised pavement markers would start to address the \$2.1 million backlog on the City's 5.2 million square feet of roadway markings.

8. **Tree Permit System Integration (\$150,000)** – This project will integrate and upgrade systems for tree permit issuance, inventory, and contractual services, enabling the Department of Transportation Arborist Office to effectively handle private property tree permits while ensuring coordination with Planning, Building, and Code Enforcement development applications and other cases. This project funds two consultant contracts to design and execute the integration and upgrade of the tree permit issuance, inventory mapping, and contractual services invoices database applications.

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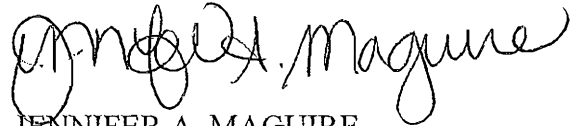
One of the key components of the City's Green Vision is promoting the growth and health of the Urban Forest. Integration of tree-related systems supports a simplified permit process for residents, as well as the Green Vision and recommendations of the City's Tree Preservation Strategy by ensuring that the location and condition of the City's existing trees can be documented and tracked. This critical software also provides a mechanism through which to track the City's progress towards replacing the 60,000 missing street trees identified as part of the deferred maintenance backlog in the Transportation Maintenance Master Plan, as well as the planting of an additional 40,000 trees to achieve the Green Vision goal of 100,000 new trees in 15 years.

COORDINATION

The information in this memorandum regarding specific projects has been coordinated with the Information Technology, Transportation, General Services, and Public Works Departments and the Attorney's Office.



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